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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations: Financing of the United Nations peacekeeping operations

Financing of the United Nations Logistics Base at Brindisi

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the reports of the Secretary-General containing the financial performance report of the United Nations Logistics Base at Brindisi for the period from 1 July 1996 to 30 June 1997 (A/52/810) and the budget of the Logistics Base for the 12-month period from 1 July 1998 to 30 June 1999 (A/52/858). During its consideration of the reports, the Advisory Committee met with representatives of the Secretary-General, who provided clarifications and additional information.

2. The Committee will address the cost-benefit analysis, contained in annex VII to A/52/858, and submit its observations and recommendations to the General Assembly in the future.

3. As indicated in paragraph 18 of the Secretary-General's report of 27 March 1998 (A/52/858), the General Assembly, in its resolutions 51/218 E of 17 June 1997 and 52/1 of 15 October 1997, authorized the Secretary-General to enter into commitments totalling $13,110,350, including $8,902,850 for the maintenance of the Logistics Base for the period from 1 July 1997 to 30 June 1998, and $4,207,500 for the clearance of the existing backlog.

Financial performance report for the period from 1 July 1996 to 30 June 1997 (A/52/810)

4. The Advisory Committee is of the opinion that the format of the financial performance report for the Logistics Base, as well as that of its budget, should allow for a programmatic or management analysis of its tasks and functions, in addition to the necessary statistical information already included. In this regard, while welcoming the information provided in the performance report for the period from 1 July 1996 to 30 June 1997 (A/52/810), the Committee requested additional information on the scale and scope of the tasks undertaken by the Base during the reporting period. The statement provided to the Committee is attached to the present report.

5. The Advisory Committee notes from the information provided in the performance report for the period from 1 July 1996 to 30 June 1997 that, of the total appropriation of $7,875,000 gross ($7,735,200 net), expenditures amounted to $5,349,000, resulting in an unencumbered balance of $2,025,800. Upon inquiry, the Committee was informed that unliquidated obligations of $1,623,000, shown in annex I to

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the report, have been reduced to $435,200 as of 31 March 1998.

6. The Advisory Committee recommends acceptance of the Secretary-General's proposal to apply the unencumbered balance of $2,025,800 to the resources required for the period from 1 July 1998 to 30 June 1999.

Cost estimates for the 12-month period from 1 July 1998 to 30 June 1999 (A/52/858)

7. The Advisory Committee notes that, for the period from 1 July 1998 to 30 June 1999, an amount of $7,141,800 is proposed, which, as indicated in paragraph 22 of the report, consists of a maintenance budget of $6,311,900 and a provision in the amount of $829,900 for equipment to complete two start-up kits. The amount proposed represents a decrease of $2,602,700 compared with the operating cost estimates for the prior 12-month period of $9,744,500.

8. The proposed budget provides for a staffing component of 20 international civilian staff (10 Professional and 10 Field Service) and 28 local staff. In this connection, the Committee recalls that the General Assembly, in paragraph 11 of its resolution 52/1, endorsed the recommendation made by the Advisory Committee, in paragraph 13 of its report (A/52/407), that the level of staffing be reviewed in light of the volume of operations. In annex XI to document A/52/858, it is indicated that following this review, it is proposed to increase the number of field service staff from 6 to 10, to accommodate the functions of four technicians required to operate the satellite relay facility transferred to Brindisi. These duties were previously carried out by temporary assignment of communications staff from the United Nations Interim Force in Lebanon, requiring payment of mission subsistence allowance. It is also proposed to delete the post of resident auditor and replace it with a post for a legal adviser whose functions are described in annex V to the report of the Secretary-General. The Committee has no objection to these requests.

9. The Committee was further informed, upon inquiry, that of the 44 staff authorized under the current budget period (1 July 1997 to 30 June 1998), comprising 16 international (10 Professional and 6 Field Service) and twenty-eight locally recruited staff, all posts were encumbered as of 30 April 1998.

10. The Committee notes a decrease in the budget of $621,500 under civilian personnel costs, when compared to the previous budget for the period from 1 July 1997 to 30 June 1998, owing to the fact that the provision for mission subsistence allowance has been discontinued since the Base was converted to a family duty station. In annex II, section B, paragraph 1, it is further indicated that salaries and common staff costs for international staff are estimated using the Rome standard cost rates, while those for locally recruited staff are based on the salary established for the duty station. The Advisory Committee understands that the International Civil Service Commission (ICSC) is to review the rate for post adjustment for the Base. Any changes would therefore be reported in the context of the financial performance report. An amount of $1,113,900 is included under general temporary assistance to employ 55 personnel under special service agreements to perform the functions shown in annex VI to the report, compared to 68 such personnel at a cost of $1,400,000 included in the previous budget.

11. In annex I to the report, provision for $476,000, compared to an amount of $1,561,000 in the previous budget, is shown under premises/accommodation. The Committee notes, as indicated in paragraph 22 of the Secretary-General's report, that this is due to fewer renovation projects and the transfer of some maintenance services to general temporary assistance. The Committee also notes other large decreases in the provisions for spare parts, repairs and maintenance of vehicles (from $1,077,100 in the previous budget to $135,000 in the proposed budget), for communications (from $535,000 to $234,700) and for other equipment (from $357,600 to $284,000), as a result of a change to systems' contracting. The provision for commercial freight and cartage, under budget item 16, air and surface freight, has also been reduced from $155,000 in the previous budget period to $40,000 during the proposed period to cover courier services of small items between the Base and peacekeeping operations, customs clearance and port charges, since freight costs are now charged to liquidation budgets of closing peacekeeping missions or recipient missions of start-up kits.

12. As indicated in paragraph 7 above, the budget proposed also includes a provision in the amount of $829,900 to complete the two start-up kits kept at the Base. The Committee notes that this provision includes $759,000 for the purchase of 35 4x4 vehicles ($630,000), 1 light forklift ($30,000), plus freight at 15 per cent for the items ($99,000), $1,300 for the purchase of observation equipment and $63,600 for miscellaneous supplies.

13. The Advisory Committee notes the information provided in annex X to the report on the status of the clearance of the backlog, as requested by the General Assembly in paragraph 7 of resolution 52/1. The Advisory

Committee recalls that the Secretary-General requested an amount of $4,207,500 for the clearance of the backlog as a one-time cost, which also provided for the services of 58 personnel under general temporary assistance. In paragraph 6 of resolution 52/1, the General Assembly authorized the Secretary-General to enter into commitments in that amount. It is anticipated that the project will be completed by June 1998. The Committee further notes that clearance of the backlog inventory is 60 per cent complete, that over 80 per cent of the equipment held at the Base has been examined and categorized, that over 50 per cent of the repair, storage and write-off activities have been carried out, based on the retention criteria approved by the General Assembly, and that 15 per cent of the anticipated disposals have been completed. The Committee welcomes this development.

14. The action to be taken by the General Assembly at its fifty-second session is indicated in section VIII of the Secretary-General's report. The Advisory Committee recommends approval of the cost estimates proposed by the Secretary-General amounting to $7,141,800 for the period from 1 July 1998 to 30 June 1998, including the amount of $829,900 to complete the start-up kits, as indicated in paragraph 13 above. The Committee recommends that, after applying the unencumbered balance of $2,025,800 for the period from 1 July 1996 to 30 June 1997 to the resources required for the upcoming budget period (1 July 1998 to 30 June 1999), the resulting balance of $5,116,000 be pro-rated among the individual active peacekeeping budgets to meet those requirements. However, consistent with what the Committee has stated previously about over-budgeting (A/52/860), the Committee does not recommend that the appropriations for budgets of the individual peacekeeping operations be increased at this time; rather, requirements for their contributions to Brindisi should be reflected in the relevant performance reports as heretofore. As regards the action contained in paragraph 34 (c) of the report, regarding the resourcing policy proposed by the Secretary-General in section VIII of his previous report (A/51/905), the Advisory Committee already indicated, in paragraph 5 of its report A/52/407, that it had no objection to the Secretary-General's funding proposal.

Annex

United Nations Logistics Base, Brindisi operations during the period from 1 July 1996 to 30 June 1997

1. The scale and scope of tasks undertaken by the United Nations Logistics Base during the period from 1 July 1996 to 30 June 1997 were difficult to predict in advance, as they were mainly influenced by changing circumstances in peacekeeping operations worldwide. The launching, downsizing, reorganization and liquidation of many peacekeeping operations all required significant involvement of the Base.

2. The initial concept for the operation of the Logistics Base during this period envisaged the use of contractual support to carry out receipt, sorting and refurbishment of equipment, re-warehousing, packing and preservation of equipment and the refurbishment of approximately 2,000 vehicles including trailers, generators and heavy engineering plant and equipment. The primary role of the United Nations staff at the Base was to have been the management and supervision of these contractual services. The 1996-1997 budget for the Base provided for a total of 33 United Nations staff (16 international and 17 local) to carry out these duties, and also to provide the routine support functions required in any United Nations field operation.

3. The period under review saw a very high volume of activity resulting from the transfer, by air, road and sea, of items of both expendable and non-expendable equipment to the Base for safekeeping, reconditioning and reintroduction to service. This workload placed a very heavy burden on the resources available at the Base. Major efforts were devoted to the receipt and inspection of 965 incoming shipments (comprising 460 tonnes, with a value of some $27.6 million); the identification, codification, classification and categorization of all items received; their preservation and placement in storage for reissue as required; and the technical inspection of equipment and performance of maintenance and repair as necessary.

4. These activities were undertaken concurrent with the takeover, refurbishment and occupation of additional facilities from the Italian Air Force, which had previously been identified for transfer to the Base under the terms of the Memorandum of Understanding.

5. As noted, the Base had initially intended to rely on large-scale contractual support. However, the redeployment to the Base of approximately 20 international staff evacuated from the United Nations Observer Mission in Liberia during this period allowed the Base to undertake many activities using United Nations resources only. The Base also benefited from the generosity of the Italian Government, which loaned the Base a team of Italian military personnel from 27 January 1997 to the end of the reporting period. This team, which initially consisted of 23 personnel, later reduced to 9, carried out much useful work in inspecting and assessing the Base's holdings of ex-mission technical equipment.

6. These additional resources, coupled with the delayed provision of the requested funding for the period, resulted in savings on the original cost estimate. In addition, it was found that the use of locally recruited special service agreement personnel provided both greater flexibility and reduced costs when compared with the original option of relying on major contractual support. Much greater reliance was therefore placed on support staff on special service agreements than had been envisaged initially, producing further savings.

7. In order to complete the Base's major tasks during the period, a series of special projects were implemented within its specialist sections. Teams were organized and given the task of receiving and inspecting materials and equipment originating from the United Nations Peace Forces, the United Nations Assistance Mission for Rwanda and the United Nations Observer Mission in Liberia, and, in addition, a project to physically verify the content of over 800 containers was undertaken. These focussed efforts resulted in the itemizing of equipment valued at approximately $45 million and the creation of a corresponding database with over 30,000 records. However, owing to the need to simultaneously cope with the relatively unpredictable workload arising from field mission activity, within the Base's limited resources, a number of tasks remained incomplete at the end of the budget period. In particular, the write off and final disposal of the Base's surplus and redundant holdings (the so-called "Base Backlog") still needed to be addressed. Additional funds to finally deal with these residual tasks were sought, and granted, for deployment during the period 1 July 1997 to 30 June 1998.